

441—185.104(234) Expenses not allowed. The following expenses are not reimbursable to rehabilitative treatment providers and shall be excluded from rehabilitative treatment service costs.

1. Fees paid to directors and nonworking officers' salaries.
2. Bad debts.
3. Entertainment expenses.
4. Memberships in recreational clubs paid for by a provider (country clubs, dinner clubs, health clubs, or similar places) which are primarily for the benefit of the provider's employees, owners, executives, board members, and related parties.
5. Legal assistance on behalf of clients.
6. Costs for health care services other than the rehabilitative treatment services.
7. Food and lodging expenses for personnel incurred in the county of the personnel's residence or office of employment. Exceptions will be allowed for food and lodging expenses incurred as part of programmed activities on behalf of clients, their parents, or guardians when documentation to support the expense, those benefiting from the expense and the specific therapeutic necessity is available for audit purposes.
8. Business conferences, conventions, and meetings of a provider not required for licensure, contracting for or certification of rehabilitative treatment or supportive services. Expenses associated with meetings called by the department will be reimbursable.
9. Awards and grants to recognize board members, employees, and community citizens for achievement. Awards and grants to clients as part of rehabilitative treatment or supportive services are reimbursable.
10. Survey costs other than those specifically required for certification of rehabilitative treatment and supportive services.
11. Federal and state income taxes.
12. Contributions to a contingency reserve or any similar provision for unseen events are unallowable. Contributions to a reserve for a self-insurance program are allowable to the extent that the type of coverage, extent of coverage, and the rates and premiums would have been allowed had insurance been purchased to cover the risks.
13. Outlays of cash with no prospective benefit to the facility or program, such as deposits, down payments and retainers.
14. Only assets acquired at a cost to a provider shall be depreciated. The depreciation level is limited to the amount expended to acquire the asset and place the asset in service.
15. Cost of fines and penalties resulting from failure to comply with federal, state and local laws or court rulings.
16. Costs of organized fund-raising in excess of revenues and donations received from fund-raising.
17. Costs of investment counsel and staff and similar expenses incurred solely to enhance income from investments and any investment losses.
18. Costs of prohibited activities for Internal Revenue Code Section 501(c)(3) organizations.
19. Organizational costs such as incorporation, fees to accountants, lawyers, brokers, for example, in connection with establishment or reorganization.
20. Advertising for client solicitation and all public relations expense are not reimbursable.
21. Imputed rental costs or other estimates of occupancy costs.
22. Costs for payments to foster parents or on behalf of a foster child, the 12 hours of preservice training, or the six hours of in-service training required for foster parent licensure and foster family insurance. The cost of foster family recruitment and foster family home studies are allowable only when the service for which the rate is being determined is the foster family home study within the conditions set forth at 441—156.7(4).
23. Costs resulting from staffing levels in excess of the minimum required by licensing or certification, whichever is higher and costs specifically limited or not allowed in the rules for a particular service. Group treatment prime programming time costs or costs resulting from staffing levels in excess of the minimum level required by licensing or certification may be allowed only to the extent that it has been determined by the certification process that the hours of prime time and a higher staff-to-client ratio

are required to appropriately meet the needs of the children being served during prime programming time, nonprime programming time and sleeping time.

24. All interest expenses. This rule applies to rates established on or after March 1, 1994.